



**STATEMENT OF PROCEEDINGS  
FOR THE REGULAR MEETING OF THE  
LOS ANGELES COUNTY AUDIT COMMITTEE  
KENNETH HAHN HALL OF ADMINISTRATION  
500 WEST TEMPLE STREET, ROOM 525  
LOS ANGELES, CALIFORNIA 90012**

**Thursday, November 19, 2015**

**10:30 AM**

AUDIO FOR THE ENTIRE MEETING. (15-5523)

**Attachments:** [AUDIO](#)

Present: Chair Lori Glasgow, Member Dorinne Jordan and Member Kieu-Anh King

Absent: Vice Chair James Blunt and Member Carl Gallucci

**I. ADMINISTRATIVE MATTERS**

1. Call to Order. (15-4945)

**The meeting was called to order by Chair Lori Glasgow at 10:40 a.m.**

2. Approval of October 15, 2015 meeting minutes. (15-4946)

**On motion of Kieu-Anh King, seconded by Dorinne Jordan, this item was approved.**

**Attachments:** [SUPPORTING DOCUMENT](#)

**II. BOARD POLICY**

3. Recommendation to review changes to Board Policy No. 5.045 - Sheriff's Department Law Enforcement Services Contracts Review Policy and extend the sunset review date to September 1, 2019 (11/13/15). (15-5419)

**Lieutenant Andrew Rosso, Los Angeles County Sheriff's Department (LASD), provided a brief overview of the policy and noted that the LASD is asking for two areas of the policy to be changed. The first area is to insert the phrase "or contract renewal" to reflect current practices. The second area of change is to rephrase the last paragraph of the policy to**

make it more coherent.

In response to questions posed by Kieu-Anh King, Third District, Lieutenant Rosso confirmed that every year current salaries for LASD staff are reviewed and that the Auditor-Controller (A-C) works with the Chief Executive Office (CEO) staff since CEO is familiar with what kind of salary movement is most likely. CEO included COLA in LASD's budgeted cost even though it has not been finalized, but it is a reasonable expectation based on good practices to include that in the budget. Additionally, LASD receives the benefits information for the following fiscal year around this time of year every year and ensured that current salaries and benefits for the staff that LASD is providing services to, such as the City or Transit Authority, are billed. This is updated annually.

In response to Lori Glasgow, Fifth District, Lieutenant Rosso confirmed that this policy has not been reviewed by the Public Safety Cluster. Ms. Glasgow asked that Lieutenant Rosso bring this policy to the cluster to ensure that they concur with the changes and return to the Committee next month.

On motion of Lori Glasgow, and by Common Consent, there being no objection, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

4. Recommendation to extend the sunset review date for Board Policy No. 9.060 - Outside Employment Reporting Requirements, to January 11, 2020 (10/29/15). (15-5282)

Lori Glasgow, Fifth District, asked if documents can be accompanied with analytics which could be useful information for the Board to provide recommendations. An example would be to provide analytical interpretation of mass numbers on the coversheet. Cathy Vo, Department of Human Resources, confirmed that they will include interpretations on any significant numbers in the report on all departments on future reporting.

On motion of Lori Glasgow, seconded by Dorinne Jordan, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

**III. OLD BUSINESS**

5. Recommendation to review changes to Board Policy No. 9.100 - Volunteer Program Policy and extend the sunset review date to October 2, 2020 (8/12/15)(Continued from the meeting of 8/20/15). (15-3899)

**On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was approved.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

6. Phoenix Houses of Los Angeles, Inc. - A Department of Mental Health and Department of Children and Family Services Provider - Fiscal Compliance Review (6/12/15)(Continued from the meetings of 7/16/15 and 8/20/15). (15-2887)

**Aggie Alonso, A-C, provided status on the agency. A-C worked with the parent company of the agency to identify what the true cost of ownership would be and what charges the agency can include. A-C also asked the agency for all the support of the percentages used to allocate cost. The agency had overcharged the Group Home FFA program and some Department of Mental Health (DMH) programs. Results were sent to the agency and the agency agreed to the action plan. The next step in the process is for the departments to send notification to the agency requesting for repayment.**

**In response to Lori Glasgow, Fifth District, Mr. Alonso confirmed that all aspects of the corrective action plan have been agreed to by the agency and that issues are resolved.**

**On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

7. Department of Children and Family Services - Overtime Review (7/2/15)(Continued from the meeting of 8/20/15). (15-3298)

**On motion of Lori Glasgow, and by Common Consent, there being no objection, this item was continued to the next meeting.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

8. Sheriff's Department - Review of Transactions between Los Angeles County and Palantir Technologies, Inc. (Board Agenda Item 7, April 14, 2015)(8/28/15). (15-4177)

**On motion of Lori Glasgow, and by Common Consent, there being no objection, this item was continued to the next meeting.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

9. Voyager Fuel Credit Cards Automated Controls Review (Board Agenda Item 7, August 4, 2015)(9/8/15). (15-4277)

**On motion of Lori Glasgow, and by Common Consent, there being no objection, this item was continued to the next meeting.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

10. Office of the Assessor - Third Status Report on Management Audit Recommendations (Board Agenda Item 47, January 8, 2013)(9/23/15). (15-4595)

**Dorinne Jordan, Second District, requested for a status on purchased IT equipment that was never utilized. Additionally, Ms. Jordan wanted to know how the forecast committee process is working.**

**Lori Glasgow, Fifth District, requested for an update on the Office of Assessor's system and the Steering Committee.**

**A discussion item will be added to the next agenda.**

**By Common Consent, there being no objection, this item was received and filed.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

11. Hillsides - A Department of Mental Health Service Provider - Contract Compliance Review (10/8/15). (15-4729)

**On motion of Lori Glasgow, seconded by Kieu-Anh King, this item was approved.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

**IV. REPORTS**

12. Public Safety Realignment Act (AB109) Review - Sheriff's Department - Fiscal Year 2014-15 (10/9/15). (15-4944)

Dorinne Jordan, Second District, asked for clarification of the process and frequency of the AB109 audits. Robert Smythe, A-C, reported that there are two more audits that are not completed; one audit is for the DMH and the second audit is a larger one that includes eight or nine other departments that have smaller pieces of AB109 which will be handled all at once. Once these audits are completed, that will be the end of the AB109 review. The overall findings of these reviews have been relatively immaterial and the departments have higher expenses than funding available. Even with some of the findings that can reduce some of the departments' cost, the cost still exceeds the amount of funding available.

Ms. Jordan mentioned a Board Letter that came before the Board for consideration that was intended to eliminate periodic AB109 audits altogether. Mr. Smythe clarified that the letter indicated that some of the larger departments would be reviewed two quarters per year and others would be reviewed once a year.

Kieu-Anh King, Third District, noted that the alternative option was to have the CEO conduct quarterly or semi-annually fiscal reports to tie in Countywide Criminal Justice Coordination Committee that does a programmatic report during the same time period.

Ms. Jordan requested for A-C to return and provide clarification on what is being done for AB109.

On motion of Dorinne Jordan, and by Common Consent, there being no objection, this item was continued to the next meeting.

**Attachments:**    [SUPPORTING DOCUMENT](#)

13. Treasurer's July 24, 2015 Cash Count (10/13/15). (15-4952)

On motion of Dorinne Jordan, seconded by Kieu Anh King, this item was received and filed.

**Attachments:**    [SUPPORTING DOCUMENT](#)

14. Fiscal Year 2015-16 Cash Flow Projection (10/15/15). (15-5086)

**On motion of Dorinne Jordan, seconded by Kieu Anh King, this item was received and filed.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

15. Audit of the County General Fund's Music Center Budget (Board Agenda July 7, 2015, Item 3)(10/20/15). (15-5147)

**Dorinne Jordan, Second District, requested for a general update of the status on the implemented recommendation.**

**John Naimo, Auditor-Controller, indicated that this was an item the Board had discussed in closed session. The outcome and direction from the Board was to instruct CEO and County Counsel to begin to address the recommendations that were directed to the County with any assistance from A-C as needed. Mr. Naimo stated that he is not aware of what has taken place to date.**

**Kieu-Anh King, Third District, asked who is leading the process in CEO. Mr. Naimo stated he did not know. Per Mr. King, no update is needed.**

**On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

16. Review of the Administration of the Department of Mental Health and the Regents of the University of California, Los Angeles Affiliation Agreement (10/23/15). (15-5134)

**Lori Glasgow, Fifth District, requested that all reports that have substantive elements to them be discussed at Cluster meetings prior to being heard by the Committee. Arlene Barerra, A-C, confirmed that this item was briefed in the Health Cluster on November 18, 2015. Ms. Glasgow asked if A-C can make it a practice to reach out to the Chairs of clusters on significant topics to see if they would like the item added to the cluster before they are considered by the Audit Committee for review. Ms. Barerra advised that they currently have this practice in place with the Children's Deputies, but will need instructions from each committee and clusters.**

**John Naimo, Auditor-Controller, stated that prior to releasing an audit, if**

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it pertains to a segment that extends beyond the Committee and public safety issues, A-C will copy the Justice Deputy on the email so that they are aware that the report is coming. A-C has begun to approach other clusters more actively to ensure they are aware of the topic.

Per Ms. Glasgow, information regarding cluster briefing will be included in the agenda list provided to the members.

On motion of Lori Glasgow, and by Common Consent, there being no objection, this item was continued to the next meeting.

Attachments:    [SUPPORTING DOCUMENT](#)

17.    Counseling4Kids - a Department of Mental Health Service Provider - Program Review (10/26/15). (15-5135)

On motion of Lori Glasgow, seconded by Dorinne Jordan, this item was received and filed.

Attachments:    [SUPPORTING DOCUMENT](#)

18.    LAC+USC Healthcare Network - Trust Funds, Revolving Funds, Commitments, and Accounts Payable Follow-Up Review (10/26/15). (15-5136)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.

Attachments:    [SUPPORTING DOCUMENT](#)

19.    Public Safety Realignment Act (AB109) Review - Probation Department - Fiscal Year 2014-15 (10/27/15). (15-5152)

On motion of Lori Glasgow, and by Common Consent, there being no objection, this item was continued to the next meeting.

Attachments:    [SUPPORTING DOCUMENT](#)

20.    Report of Treasurer and Tax Collector's Cash Difference Fund Replenishments for the Fiscal Year Ended June 30, 2015 (10/28/15). (15-5172)

On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.

Attachments:    [SUPPORTING DOCUMENT](#)



21. District Attorney's Asset Forfeiture Fund (11/9/15). (15-5376)

**On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

22. Clontarf Manor - A Department of Mental Health Service Provider - Program Review (11/9/15). (15-5377)

**On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

23. Sheriff's Department - Inmate Welfare Fund Financial/Compliance Audit - Fiscal Years 2011-12 through 2013-14 (11/9/15). (15-5380)

**In response to questions posed by Kieu-Anh King, Third District, Glen Joe, Director of Fiscal Administration, LASD, confirmed that A-C had validated the percentage of the funds utilized towards Inmate Welfare and Jail Maintenance for all three fiscal years.**

**Mr. King asked for a clarification on the balance sheet that was included in the report and how much of the fund balance is spent in a given year. Robert Smythe, A-C, provided a breakdown of the balance sheet and explained the fund balance.**

**Arlene Barrera stated that A-C will make future transmittals clearer.**

**On motion of Kieu-Anh King, seconded by Dorinne Jordan, this item was received and filed.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

24. Optimist Boys' Home and Ranch - A Department of Mental Health Service Provider - Program Review (11/9/15). (15-5381)

**On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.**

**Attachments:**    [SUPPORTING DOCUMENT](#)



25. Contractor Alert Reporting Database Status Report - November 2015 (11/12/15). (15-5399)

**On motion of Dorinne Jordan, seconded by Kieu-Anh King, this item was received and filed.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

## **V. DISCUSSION**

26. Pending Audit/Monitoring Reports. (15-4947)

**Don Chadwick, A-C, requested to revise the procedures of issuing Workforce Investment Act reports, for example, reports with no material findings can be submitted directly to the departments heads with the caveat of issuing a comprehensive report that will include all initial material findings versus going through the Board of Supervisors, other reports will follow standard procedures.**

**Kieu-Anh King, Third District, questioned how material is defined. Mr. Chadwick indicated that values in large dollar amounts are considered material.**

**Mr. Chadwick requested that the Audit Committee consider discontinuing the audits of Probation Halls and Camps. Dorinne Jordan, Second District, indicated that the Second District is interested in continuing the audits; however, the frequency and other aspects can be negotiated. Mr. King indicated that the Third District is also interest in continuing with the audits. Ms. Jordan requested that the issue be placed in the next Justice Deputy Cluster meeting agenda for discussion.**

**Mr. Chadwick suggested setting aside an amount at the beginning of each year for nominal charges against PFU fund. Lori Glasgow, Fifth District, questioned the benefit of setting aside the amount. Mr. Chadwick indicated that it would be less intrusive and would limit the amount of emails sent to the Audit Committee. Arlene Barrera, A-C, added that the amount set aside would act like a blanket for assignments requiring 40 hours or less.**

**Ms. Jordan requested clarification on charges to the PFU fund. Mr. Chadwick explained that charges to the PFU fund are those that do not have a specific department or departments to provide funding. John Naimo, Auditor-Controller, added that a comprehensive list of issues and dollar amounts utilized during audits is generated at the end of each year**

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and charged to the PFU fund; the list will be sent via email to the Committee.

Ms. Jordan asked if additional funding will be requested. Ms. Barrera confirmed that the amount of audit assignments have increased and additional funding is anticipated.

Ms. Glasgow requested clarification on the costs of the Audits. Ms. Barrera indicated that a summarized report of audit costs can be considered.

Lori Glasgow requested Audit staff to provide quarterly reports.

Kieu-Anh King requested that this item be discussed with the Budget Deputies and Audit staff to provide a report on the the audit costs.

#### **VI. MISCELLANEOUS**

27. Matters not on the posted agenda (to be Presented and Placed on the Agenda of a Future Meeting). (15-4948)

**Status update by the Office of the Assessor regarding the Management Audit Recommendations.**

28. Public Comment. (15-4949)

**No members of the public addressed the Committee.**

29. Adjournment. (15-4950)

**There being no further business to discuss, the meeting was adjourned at 11:41 a.m.**